

Bachelor of Science in Hospitality and Tourism at IU Kokomo – employment trends and data

Nationwide, the hospitality industry has been growing for the past decade and is expected to continue that trend. The hospitality industry provides necessary goods and services to travelers and can be roughly split into five sectors: 1) Lodgings (hotels, motels, etc.); 2) Transportations (planes, trains, etc.); 3) Food and Beverage Operations (restaurants, bars, etc.); 4) Retail Stores (souvenir shops, arts/crafts stores, etc.); and 5) Tourism Activities (recreation, festivals and events, etc.). In official labor statistics, these jobs are classified as Leisure and Hospitality.

Each of these five sectors has their own growth patterns and trends but overall the entire hospitality and tourism industry continued to grow in 2012 and this growth is expected to continue in 2013. All of these five sectors offer what economists call “normal” goods, meaning that as income increases, people demand more of these goods; they dine out more, they travel more, they stay in hotels more, they buy more souvenirs and so on. Since the recession of 2007-2009 (as officially defined by the Bureau of Economic Analysis at http://www.bea.gov/faq/index.cfm?faq_id=1004), incomes both nationwide and within the state of Indiana have increased, thus increasing the demand for “normal” goods.

Numbers of Jobs available

Nationwide, figures from December 7, 2012 showed that “Leisure and hospitality added 23 thousand jobs for November. Amusements, gambling and recreation added 12.2 thousand jobs, leading the way over food services and restaurants with 8.6 thousand new jobs.” (<http://americanjobmarket.blogspot.com/> citing the Bureau of Labor Statistics) An additional 23,000 jobs were added in October and November 2012. So the growth is strong and continuing. Overall, Leisure and Hospitality ranked 4th nationwide (out of the top 12 that are followed) in the number of jobs, with an estimated 10.2% of all jobs. This is up from 7th in and 1990s to 5th for the last few years (again, <http://americanjobmarket.blogspot.com/> citing the Bureau of Labor Statistics).

Statewide, the Leisure and Hospitality industry account for approximately 290,000 jobs (on a seasonally adjusted basis) and the trend is also for increasing growth (<http://www.bls.gov/eag/eag.in.htm>). October 2012, the latest figures available, showed an increase in Leisure and Hospitality jobs of 5.2% (again, from <http://www.bls.gov/eag/eag.in.htm>).

Regionally IU Kokomo commissioned a thorough economic study, the Regional Benchmarking Study, completed in fall 2011 by the Indiana Business Research Center. This study compared Kokomo to a number of peer MSAs (Metropolitan Statistical Areas – MSA) across the country. The study showed that the Kokomo MSA has over 4200 workers directly involved in the Leisure and Hospitality industry in 2012. This makes this one of the largest industries in the MSA. The Kokomo region has lost over 12,000 jobs since May 2000 (<http://www.ibrc.indiana.edu/ibr/2010/outlook/kokomo.html>) and hospitality and tourism both remains a bright spot economically and is growing. Many of our students have therefore, come to realize that a Hospitality and Tourism degree will provide them with the skills needed to compete in this industry. Surveys of the IUK student body indicate that many of them are place-bound while completing their degrees. This is often due to families and work. Offering them a hospitality and tourism degree close to home will increase degree completion and help the IU Kokomo service region.

Wages in Leisure and Hospitality Jobs

Leisure and hospitality jobs are often the first jobs that many young people have. Like many other service sectors, leisure and hospitality jobs are often thought of low-wage and entry level only and this may be true for teenagers in their first job. However, this ignores the many higher level jobs that the industry includes.

Nationwide, the medium wage for meeting, convention and event planners is \$45,260 and the percentage employment growth rate is expected to be 44% from 2010 to 2020. The wages for food preparation and serving workers is not nearly as high (\$17,950) but the number of new jobs in this area is expected to be approximately 398,000 by 2020. (<http://www.bls.gov/opub/ooq/2011/winter/winter2011ooq.pdf>)

Locally, a quick scan of various electronic job bulletin boards on December 11, 2012, showed that there were a number of leisure and hospitality jobs available in Kokomo and the surrounding region. These include higher level positions such as a concierge in a local hotel, and several assistant manager positions in local hotels and restaurants, and entry level positions as housekeepers or front desk agents.

Commuting patterns (as shown in the Regional Benchmarking Survey cited above) show that workers from Howard and other regional counties often travel out of the county to jobs. Thus, hospitality and tourism jobs located in Indianapolis or Fort Wayne or South Bend are viewed as perfectly viable options for job seeking graduates of IU Kokomo programs. So while our students may be place-bound while in school, once they have finished their degrees and have a good job, they are willing to travel to work.

Skills necessary in the higher level Leisure and Hospitality industry jobs may be similar to those required for other management positions. These include financial and business management, marketing, human resources, communications, and public relations. These are skills that the new Hospitality and Tourism degree at IU Kokomo will develop and thus ensure that IU Kokomo students are ready for the existing jobs.

We feel this new degree will offer IU Kokomo students the opportunity to study in a fast growing field, one with good job prospects and good possibilities for advancement.